

BPR Training - UK Consultant

BPR 'Unwrapped'

Business Process Reengineering Defined

'the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed...'

~ Hammer & Champy ~

BPR Objective

The overriding objective is to achieve a step change in performance. This is in stark contrast to the 'continuous improvement' (or incremental) approaches of several other methodologies.

Performance improvement relates to internal efficiency and competitive advantage. Internal efficiency is achieved by examining how we can run the business with fewer hand-offs, barriers, formal communications and less waiting time. This internal efficiency is the O & M view of the business process. Competitive advantage often involves working with the customers on assisting them with their business so that you can both be more effective. The result of this is competitive advantage for you both.

BPR Methodology

There are seven identifiable steps in a BPR project - although every consultancy draws different boundaries and describes these steps in different ways as they struggle to differentiate their services (i.e. their ways of delivering BPR).

BPR Seven Steps Project Kick-off Document the Current Processes Establish Key Performance Measures Develop and Test Future Processes Prioritise and Commit to Future Processes Plan the Implementation Implement the Future Processes
--

A good project kick-off is important to getting a BPR project 'off on the right foot'. It includes setting expectations, selecting and releasing team members, communicating to the organisation, briefing the team and providing the structure to support and manage the project.

Having established what the processes are, and which are to be addressed by the project, it is necessary to establish a common view of the 'as is' situation. This involves 'walking' the current process and flowcharting it.

BPR Training - UK Consultant

It is important to identify a modest number of performance measures (usually of cost, quality, service & speed) which will enable the process-oriented business to be successfully managed and benchmarked.

Developing and testing the future process starts with the crucial step of developing the 'vision' for the future process and in particular seeking breakthroughs which would give competitive edge. This is followed by testing out the proposed future process on selected customers and then working out the details of the future process.

The feasibility of some of the proposed changes (both process and non-process related) are then investigated and prioritised. Management must then commit to the processes and their implications.

The implementation must then be planned: the project management approach needs to be agreed, an outline plan established and phased, and the required resources estimated. Management must then commit to the plan and subsequently work out the details.

The final step in a BPR project is the only one which achieves benefits, i.e. the implementation. This starts with communicating to the organisation the scope of the implementation, the team and the timescales, establishing the project performance measures and subsequently conducting regular project reviews.

Why Do Some BPR projects Fail?

Many BPR projects never get beyond the internal efficiency stage of process improvement. This failure typically occurs when the company does not spend the necessary time and effort in working with its customers to develop competitive advantage for both parties. This lack of market focus may be because the project started from the wrong point in the management structure or was being done reluctantly at the insistence of a parent company rather than at the instigation of the unit concerned.

Another common problem is the lack of inspired, radical, innovative and thorough thinking about future processes. This may be caused by pressure to conclude the project quickly, the inexperience of the participants, fear of major change or a lack of awareness of what is possible. The result is missed opportunities, i.e. only achieving minor improvements rather than radical process redesign and step-change improvement.

Once the exciting element of developing new processes is completed, the relatively boring implementation phase can be a weak area of BPR projects. Here senior management may lose interest or reduce available resources, resulting in a partial implementation and the benefits not being obtained. An implementation may falter because of a lack of common 'vision' for the future processes; caused by them being dreamt up by a team and not owned by the senior executives, process owners or key staff.

BPR Training - UK Consultant

On other occasions the top management commitment may be insufficient to implement the less comfortable conclusions.

Another common difficulty is experienced with executives who seriously underestimate the change management challenge posed by BPR. There are social, career and procedural dimensions of the process changes. It is the handling of these human aspects of the changes which is often significantly more complex to manage than any technological changes.

Is BPR Anything Different?

The answer is yes and no. The process orientation makes this different from the work that many of the 'change agents' have been doing over the years in re-organising, downsizing and rationalisation. It brings a different and demanding approach and some fresh thinking. However, within the scope of its activities it uses many of the skills and methodologies that we have been using for many years. Well done to Hammer & Champy for coming up with a truly new perspective on an old problem although one has to admire the expert marketing of another TLA (Three Lettered Acronym). It has certainly made them both rich and famous. There will always be some cynics who want to knock it. It has even been said that 'there is nothing new in BPR that wasn't in MRPII' though this is perhaps a comment on the people saying such nonsense. After all MRPII is an approach to planning and control. It does not consider the fundamental nature of our customers' demand of us and how we set out our stall to meet these demands. Such people may be re-writing the texts after the event!

As we study the articles and books of the BPR 'experts' one comes across many examples of projects which pre-date the BPR expression and were not done with a visible process orientation. Therefore one must suspect that many of us having been doing BPR for some years without realising it. Or are some people re-writing projects to fit them under the fashionable BPR banner?

Are All BPR Approaches The Same?

There is an essential core that should be the same but several of the major players are trying to differentiate their particular way of delivering BPR by tampering with the apparent content. At least one of the major consultancies has tried to fit BPR into its pre-existing framework for consultancy. In their case it is a poor fit but nonetheless enables them to project an apparent difference from the competition.

In the detail there are some approaches that apparently demand heavy consultancy input while others focus the external input into the areas where they are most required and use internal resources to their fullest. Leaving a legacy of improved skills within the organisation should be an aim of every project but training up a whole internal team in best practice and BPR will be beyond most small and medium-sized organisations.

BPR Training - UK Consultant

There are differences of opinion about the usefulness of spending a great deal of effort mapping the current processes. This can take a lot of time and effort which with a substantial redesign is very largely wasted. Nevertheless some consultancies recommend doing it in detail (it could be that this is good for billing hours) and some management teams may like to see the pages of deliverables even if they find the embarrassing findings hard to swallow as some of the poorer process details are exposed.

What Tools Should One Use?

There are an increasing number of tools available to assist with BPR . These range from the simplest flowcharting software to the most complex data modelling facilities. Packages have been developed to support different aspects of the process analysis, redesign and modelling. This software can be grouped into two categories:

Flowcharting and static modelling of processes
Dynamic modelling or simulation of processes

The selection of tools is not one of the more critical steps in obtaining the best future business processes. However, it can make a huge difference to the amount of work required and the usefulness of the results. The characteristics of these tools reflect their pedigree and they have been variously adapted to attempt a fit to the BPR market. None of the tools covers all the possible aspects of BPR tool support.

A number of the consultancies have developed their own tools to add to the 'magic dust' effect. If you are considering a consultancy with its own BPR tools, insist that your staff have the training and the ongoing right to use the product. Remember they are your processes and you should be using the results and further modifying them as required without having to call up the consultants.

Our advice would be to use a simple tool. However it is not easy, as the decision needs to be made very early in the project and the tools all have strengths and weaknesses.

What Else Happens in a BPR project?

Turning over the organisation in the radical way demanded by BPR is almost certain to unearth many changes to be made. These may well not relate directly to the business process work but any first-rate consultancy would expect to find enough 'other' improvements to fund the cost of the study. This is a very positive additional outcome. However, it does require a management team prepared to take on board other suggestions and put in place the implementation management at an early stage.

BPR Training - UK Consultant

Do All Organisations Get Their Benefits Quickly?

Almost no organisation is able to achieve its future processes in the first 'round' of BPR. In fact, there is nearly always the need to move to a transitional position. This can be because of a strategic decision to hold back a jump on the competition for later and more timely use. However, more commonly, it is simply because the organisation is not able to move from the current to the future processes because of the constraints of the personnel concerned or the weaknesses of the supporting systems and technological infrastructure.

Whatever is the case, the future processes can usually only be phased in gradually and this may be over a period of years. (This may seem strange given that BPR has been introduced as an approach for achieving radical step change rather than incremental improvement, but we have to recognise that here in the real world we do face practical difficulties which limit our options.) However, all organisations start their implementations before the future processes are fully designed. Every company turns up some features of their current process that demand immediate action: whatever the future may require the current cannot remain as it is any longer. So the Chief Executive should expect to see some action (if only limited in scope) from early on in a BPR project.

How Useful is BPR?

In our opinion if it is done properly it is one of the most effective ways of making organisational change which has real impact on the customers. One of our clients was telling a major customer (a world-wide organisation) that the company was conducting a BPR project and mentioned some of the early thoughts on improvement. The customer's response was very enthusiastic and the client Managing Director had first-hand evidence of the positive market influence it can have. Remember - it is the customer who is ultimately the judge of competitive advantage.

It is sad that some of these projects are reduced to industrial engineering jobs and kept well away from the customers. Although this may be the result of a first 'round' of BPR it will certainly have substantially less benefit to the organisation without the second 'round' of seeking competitive advantage.

~ David Morgan ~

If you have a requirement for training or a consultant please call us now on 01565 653330, or E-mail info@p-h-s.co.uk